



Resolution Of The Maryland Health Benefit Exchange Board Of Trustees Approving Gifts And Grants To The Exchange – Solicitation, Acceptance, And Spending Policy

WHEREAS, the Board of Trustees (the “Board” or “Trustees”) of the Maryland Health Benefit Exchange (“MHBE”) wishes to establish a policy governing the MHBE’s solicitation, acceptance, and spending of gifts and non-federal grants in manner that is fair, transparent, and in accordance with applicable state law.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees hereby adopts the Maryland Health Benefit Exchange Board of Trustees’ Gifts & Grants to the Exchange – Solicitation, Acceptance, and Spending Policy, attached hereto as Exhibit A.

I HEREBY CERTIFY that the foregoing resolution was adopted and became effective by unanimous vote by the Board of Trustees on the sixteenth day of January 2024. As the current Board Chair I hereby sign the resolution for publication on this twenty first day of July 2025.

A handwritten signature in blue ink, appearing to read "Meena Seshamani", written over a horizontal line.

Meena Seshamani, M.D., Ph.D.

Chair, Maryland Health Benefit Exchange Board of Trustees

Maryland Health Benefit Exchange Board of Trustees

Gifts and Grants to the Exchange – Solicitation, Acceptance, and Spending Policy

I. Purpose

The purpose of this policy is to ensure the Maryland Health Benefit Exchange (“MHBE” or the “Exchange”) complies with state laws and regulations when soliciting, accepting and spending gifts, grants, and other public or private funding. This policy provides for internal controls to ensure compliance with State budget appropriation requirements.

This policy does not apply to Federal grants.

II. Background

Under the Maryland Annotated Code, Insurance Article, §31-106(c)(1)(vii), the Maryland Health Benefit Exchange Board of Trustees (the “Board”) has the authority to “apply for and receive grants, contracts, or other public or private funding.”

The Exchange may also solicit gifts and grants for the benefit of an established agency program, to further MHBE’s mission. Any solicitation of funds must comply with all State Ethics Laws. Specifically, solicitations should be broad, and not directed at vendors, or those regulated by MHBE; and solicitations must not be handled by MHBE officers or employees who are involved in regulatory and/or procurement matters related to the entities being solicited. (See, State Ethics Commission, Advisory Opinion, “The Gift Law” August 1, 2021).

Upon acceptance of a Gift or Grant or other public or private funding, MHBE must process the funds through the regular budget and budget amendment appropriation processes established by the Department of Budget and Management. (See, State Finance and Procurement, §2-201 and Maryland Department of Budget and Management Manual, Policy number 02.01.08 – “Gifts and Grants Acceptance Policies and Procedures”).

The Executive Director and the Chief Financial Officer (CFO), or designee, shall ensure appropriate implementation of this policy. The policy scope applies to MHBE for all gifts and grants, except Federal grants as noted above.

III. Policy Statement

In soliciting, accepting and spending gifts and grants under this policy, MHBE, its officers and employees shall follow all regular budget and budget amendment appropriations processes required by the Maryland Department of Budget and Management; and shall abide by the provisions of Maryland State Ethics Law, Md. Code Ann., General Provisions (§§ 5-101 through 5-1001).

IV. Definitions

- A. “Gift” includes an inter vivos gift, inter vivos endowment, bequest, devise, legacy, or testamentary endowment of any interest in real or personal property. (MD Code, General Provisions, §1-109).
- B. “Grants” mean the bestowing of a power, money, privilege, property, or other item of value that may be conditional, although without other considerations, by

another party upon the State. (MD DBM Manual, 02.01.08 – Gifts and Grants Acceptance Policies and Procedures).

V. Cross References:

- A. Maryland DBM Manual
- B. MD Code, General Provisions, §1-109
- C. MD Code, State Finance and Procurement, §2-201
- D. MD Code, Insurance, §31-106(c)(1)(vii)
- E. MD Code, General Provisions §§ 5-101 through 5-1001
- F. State Ethics Commission, Advisory Opinion, “The Gift Law” August 1, 2021

VI. POLICY PROCEDURES

- A. When a gift or grant is offered to MHBE, the Executive Director should complete a vetting process to ensure that the donor and the restrictions and terms of the gift or grant, if any, align with MHBE’s mission, values and goals; and that acceptance of the gift or grant will not create any reputational, legal or ethical risk to MHBE.
- B. Board Delegation to Executive Director to Accept Certain Gifts and Grants
 - 1. Subject to paragraph A above, the Executive Director may, on behalf of the Board, accept any gift or grant valued under \$50,000.
 - 2. After the acceptance of a gift or grant, the Executive Director shall include a report of the accepted gift or grant in the next open meeting of the MHBE Board of Trustees.
 - 3. The Executive Director shall ensure that any gift or grant accepted by the Exchange is used in accordance with its terms.
- C. Gifts and Grants Requiring Board Approval
 - 1. The Board’s approval is required for the acceptance by the Exchange of:
 - a. Any gift or grant valued at \$50,000 or more;
 - b. Any gift or grant valued at less than \$50,000 from a donor that would result in the cumulative annual amount donated by that donor exceeding \$50,000.
 - c. Any gift or grant valued at less than \$50,000 that entails an estimated initial or annual cost to the Exchange of \$5,000 or more;
 - d. Regardless of value, any gift or grant not in the form of currency (for example: vehicles, vessels, real property, etc.); or
 - e. Regardless of value, any gift or grant that is offered by an MHBE vendor or partner.
 - 2. After the Board approves a gift or grant, the Executive Director shall submit a completed and signed Exchange Gift/Grant Acceptance Form for review and signature by the Board Chair.

D. Gift Solicitation and Fundraising

1. Board approval is required before any solicitation or fundraising efforts commence.
2. During the solicitation process, it should be made clear that donations will not confer any special access or benefit in the contributor's dealings with MHBE or the State.
3. The funds solicited should not result in personal benefit to any MHBE employee or officer.
4. An AAG should be consulted to ensure ethical and other statutory compliance.

E. Acknowledgment of Gifts and Grants

1. The Executive Director will send the donor written acknowledgement of acceptance of any gifts and grants, and must maintain copies of these acknowledgements in a file for at least three (3) full fiscal years. (In the case of anonymous gifts or donors, who have not provided a mailing address, a memo should be placed in the file in lieu of an acknowledgement).
2. The Maryland Department of Budget and Management shall be granted access to this file upon request.

F. Appropriations

1. The CFO or their designee, shall submit any monetary gifts or grants, or funds derived from gifts or grants, to be processed through the regular budget and budget amendment appropriation processes.
2. MHBE may not spend monetary gifts or grants, or funds derived from any gift or grant, regardless of value, until those funds have been anticipated and appropriated by the budget, or have been appropriated by an approved budget amendment.